



# **Budget Speech**

OF

## **THE HON. ERNEST C. MANNING**

TREASURER OF THE PROVINCE OF ALBERTA

**Delivered on March 4th  
1946**

IN THE

### **Legislative Assembly of Alberta**

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

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**BUDGET SPEECH**  
**DELIVERED BY**  
**THE HON. ERNEST C. MANNING**

*Treasurer of the Province of Alberta*

March 4th, 1946

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MR. SPEAKER:

Once again it is my privilege to move that you do now leave the chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

In moving this time honoured motion and in presenting to this Assembly the first post-war budget, I am conscious of my responsibility to provide the honourable members with a comprehensive factual report on the financial affairs of the Province.

During the past year the most devastating and costly war in human history has been brought to its close. We now have entered the post-war era with its stern demands and its numerous and complex problems. Let no one minimize the important part that public fiscal policy will play in aiding or in hindering a successful transition from a war time to a peace time economy.

In view of the fact that this is our first post-war budget, it is perhaps more important than ever before that we should examine carefully both the material and the financial resources of our Province and take cognizance of the productive capacity and financial position of our people generally.

Before dealing with the Public Accounts and the Estimates for the ensuing Fiscal year, may I, therefore, review briefly the general economic conditions within our Province with particular reference to those major factors which bear directly or indirectly on present and future development. In thus taking stock of our Provincial economy I will endeavour to provide statistics and comparisons which I believe will be of interest and of value not only to the Members of this Assembly, but to the public generally when considering the Estimates for the ensuing fiscal year.

**AGRICULTURE**

Adverse weather conditions during the growing season resulted in a sharp decline in the yield of the chief grain crops for the year. The gross value of grain is estimated at \$148,199,000, a decrease in value of \$53,000,000 compared with the previous year. Root and fodder crops are valued at \$26,423,000 as compared with \$29,998,000, a decrease of \$3,575,000. The total value of field crops is shown at \$174,622,000 against \$231,213,000 for the year 1944, a decrease of \$56,591,000.

The production of sugar beets totalled 363,000 tons, an increase of 26,000 tons over the previous year. This increase was due primarily to an increase of 1,600 acres in the area seeded to sugar beets as compared with 1944. It is of interest to note that the four sugar producing Provinces of Canada report a total production of 618,010 tons of sugar beets from 58,861 acres. The production in this Province of 363,000 tons, the highest recorded, was 58% of the total production in Canada. The yield per acre in Quebec was 8.9 tons; Ontario, 9.3 tons; Manitoba, 8.6 tons as compared with 11.9 tons in this Province, which indicates the increased production possible from irrigated lands. The output of beet sugar for Canada is estimated at 164,050,000 pounds, of which Alberta processed 100,035,000 pounds.

The value of live stock marketed during 1945 totalled \$106,801,000, a decrease of \$7,800,000 as compared with the previous year. The production of swine decreased from 2,981,940 head to 1,946,114, valued at \$52,895,000, a decrease of \$22,249,000. During 1945, cattle marketing reached the highest level in the history of the Province, numbering 447,000 head, an increase in excess of 50,000 head and in value, \$1,400,000.

Dairy production was valued at \$34,054,200 as compared with \$35,411,900, a decrease in value of \$1,357,700 from the previous year. Poultry produce resulted in a gross return of \$19,868,300, a gain of \$817,000. The production of honey increased from \$770,000 to \$900,000. Fur farming continues to become an increasingly important factor in the economy of the Province, the value of pelts marketed during 1945 reaching a total of \$1,836,900, an increase of \$357,200.

The total gross value of agricultural production is estimated at \$339,272,700 for the year 1945, a decrease of \$64,039,000 from the figures for the year 1944. The value of these products in 1939, the first war year was \$185,800,000; in 1940, \$209,700,000; 1941, \$204,700,000; 1942, \$362,400,000; 1943, \$364,700,000; 1944, \$407,300,000; and 1945, \$339,272,700. The increased value for the six years totalled \$772,272,700; and the average yearly increase, \$128,800,000.

This increased income has been reflected in all phases of business throughout Alberta and in the revenues of the Municipal Districts and of the Province during the six years of war.

Despite the uncertainties which attach to the production and marketing of primary products especially in the field of agriculture, it is a matter of satisfaction that our basic industry enters the immediate post-war years with an assured market for practically all of its products for at least three years and with a guaranteed price for wheat for a five-year period. As a result, our agricultural industry as compared with pre-war years, is in a much improved position generally to meet the numerous problems which inevitably will arise in the changing world of the next few years.

#### NATURAL RESOURCES

The total value of products from our natural resources for the year 1945 was \$62,627,000, an increase of over \$3,000,000 compared with the preceding year. The production of petroleum totalled 8,055,440 barrels, valued at \$13,825,771, a decrease in volume of 733,286 barrels and in value of \$643,000 compared with the year 1944. Production from the Turner Valley Field showed a decrease of 1,300,000 barrels, but this decline in production from what has been for years the greatest

oil producing field in Canada was offset to the extent of 600,000 barrels by reason of an increase in the production of other producing areas. While no new major fields have as yet been discovered, a very extensive programme of testing and exploration is being carried on at the present time. The Government is extending every reasonable assistance and encouragement to such exploratory work and is endeavouring to ensure the progressive and orderly development of the potential oil resources of the Province in the best interests of our people as a whole. Under the direction of the Research Council of Alberta, work is proceeding on the construction of a pilot plant designed to establish the economic feasibility of utilizing the huge deposits of bituminous sands situated in the vicinity of Bitumount (forty miles North of Waterways). A further sum of \$150,000 has been provided by the Government during the year for this purpose. Recently encouraging progress has been made in the production of gasoline from natural gas and also from coal. The success that has attended experiments conducted thus far indicate that processes shortly may be perfected to a degree that will permit the commercial production of gasoline from these natural products which Alberta is fortunate to possess in abundance.

During 1945, the production of coal in this Province was slightly higher than in 1944, notwithstanding a shortage of men and a cessation of mining operations due to a general strike which, fortunately, was not of long duration. Production totalled 7,801,248 tons, valued at \$27,699,333. Increasing interest in Alberta coal is being shown by the public in both Manitoba and Ontario; and we are confident an increased demand for the better grades of Alberta coal will develop during the next few years. The adoption and implementation of a satisfactory national coal policy remains a matter of paramount importance to this Province particularly and the Government is awaiting with active interest the findings and recommendations of the Royal Commission which for the past two years has been enquiring into matters relating to the coal mining industry throughout Canada.

Lumber and railway ties to the value of over \$10,000,000., were produced during 1945, an increase of over 10% for the year. The vastly increased demand for lumber and all the products of the forest which developed during the war undoubtedly will continue throughout the years of post-war reconstruction. The securing of suitable labour for lumbering operations continues to be one of the most difficult problems confronting the lumbering industry.

The production of salt at McMurray totalled 29,362 tons, an increase of over 16% compared with that for the previous year. The plant has been enlarged to increase its output to 100 tons a day and a further increase in production is anticipated.

The total value of the production from our natural resources of \$62,627,000 for the year 1945 compares with \$18,098,000 for the year 1935; and the increase of over \$44,000,000 during the ten-year period gives a fair indication of the progress that has been made in the development and utilization of the vast natural resources of this Province.

Throughout this period it has been the consistent policy of the Government to retain the title to all such natural resources in the name of the Crown for the citizens of the Province collectively and to obtain for them, by means of taxation, rentals, fees and royalties, a fair share of the returns accruing from the development of their resources.

### INDUSTRIAL DEVELOPMENT

It is the intention of the Government to pursue a vigorous policy of promoting industrial development during the post-war years. To this end an active Industrial Development Board already has been established under the Department of Trade and Industry and it is proposed to expand its activities during the coming year.

Vigorous efforts will be made to encourage industrialists to establish factories in Alberta especially those engaged in the type of industry most necessary to the future stability of our Province. While every encouragement likewise will be given outside capital to invest in the development of our resources, on terms which will safeguard the interests of our people, it is the intention of the Government to provide the means whereby our own citizens will be afforded a greater opportunity to invest in the industrial development of their own Province. To this end it is proposed to establish an Alberta Industrial Development Corporation, which will be empowered to issue debentures up to a maximum of \$5,000,000. These Industrial Development Bonds will be guaranteed by the Government and the funds thus obtained will be available to assist in financing sound, industrial enterprises within the Province. While the Corporation will not be restricted to the sale of debentures in the Province, it is hoped that the citizens of Alberta particularly will regard such debentures as a sound investment in the industrial development of their own resources. The Government believes that this policy represents a sound, practical method of stimulating necessary industrial development and a realistic approach to the problem of utilizing locally more of our primary products, providing greater employment opportunities for our own people and contributing to the economic stability of the entire Provincial economy.

### ST. MARY'S AND MILK RIVER DEVELOPMENT

In my address last year I mentioned this project primarily as an integral part of a large scale post-war irrigation programme, which the Government considers necessary to the development and the economic stability of the Southern areas of the Province. This particular project, when completed, will add about 345,000 acres of land in the Taber, Medicine Hat and Milk River areas to that already under irrigation; and in addition a number of reservoirs will conserve the flood waters of the streams. As a preliminary step, the Province undertook the construction of the East Pothole Coulee Dam, an integral part of the over-all development. The contract for its construction was awarded last September, and the work is now under way. The Dominion Government is now making the necessary provisions to construct the St. Mary's River dam; and the main supply canals; and it is anticipated that work on these undertakings will commence this summer. These projects, together with the present Alberta Railway and Irrigation system of Canals now operated by the Canadian Pacific Railway Company are essential to the full development of the St. Mary's River project; and negotiations are now under way for the transfer from the Company to the Province of their system of canals and irrigation works.

### CO-OPERATIVE ACTIVITIES

I am pleased to record continued progress and expansion on the part of co-operative organizations in the Province. At December 31st, last, 303 associations were operating; 37 of which were new associations organized during 1945. Complete figures are not yet available

for the year; however, a final summary of the operations of co-operative organizations, including 149 Credit Unions for 1944 shows that the volume of business transacted in that year amounted to \$98,887,000 with a total membership of 192,175. For comparative purposes may I point out that in 1941 the total volume of business amounted to \$36,733,000 and the total membership was only 94,546.

The Government is continuing its policy of encouraging co-operative enterprise and of rendering all reasonable assistance to those desirous of associating together in such organizations for the mutual benefit of all.

#### CREDIT UNIONS

One hundred and sixty-nine Credit Unions were in operation at the close of the year, an increase of 20 during 1945. A total membership of 18,128 is reported, an increase of 3,338 over the previous year. Total assets are shown at \$1,512,582; and loans made since the first Union was formed in 1938 amount to the substantial sum of \$4,109,036.

#### ALBERTA POULTRY PRODUCERS MARKETING BOARD

The past year recorded a substantial increase in the volume of poultry products marketed on behalf of producers by the Board. Over nine million dozen eggs and over three million, seven hundred thousand pounds of poultry were handled by the eighty-two stations established in the Province, and the number of shippers totalled 41,000. During the year nearly three million pounds of egg powder was produced for the British Ministry of Food; and the Board also shipped to the British Isles almost two million dozen fresh eggs.

Chick hatcheries have been established at three points in the Province; and the number of chicks marketed in 1945 totalled 950,241. The Board was established in 1941 by the Government for the purpose of assisting primary producers in securing maximum returns for poultry products. The steadily increasing volume of such products marketed through the Board is evidence that it is fulfilling its functions and is receiving the voluntary support of a substantial percentage of the poultry producers of the Province.

#### GOVERNMENT INSURANCE

The Alberta Government Insurance Office again reports a successful year's operation and a substantial increase in the amount of business written. Fire Insurance Policies in force at December 31st, 1945, totalled \$67,604,000, as compared with \$47,038,000, which I reported in my address last year, an increase of \$20,566,000.

A gain of \$562,000 is also reported in the amount of Life Insurance in force as at December 31st, 1945, compared with the same date in the preceding year.

Since this service was instituted by the Government, substantial savings in premiums have accrued to those placing their insurance with the Government; and the operation of the Insurance Office has undoubtedly resulted in reduced rates for fire insurance generally throughout the Province.

#### TREASURY BRANCHES

During the past year the Alberta Government Treasury Branches have handled a steadily increasing volume of business. The number of accounts as at December 31st, 1945, total 50,251, an increase of over six thousand, while deposits from the public at January 31st, 1946, totalled \$22,095,000 compared with \$18,170,000 on the same date in

the previous year, an increase of approximately \$4,000,000; over \$3,000,000 of which represents increased deposits in saving accounts. Treasury Branch Loans at January 31st of this year totalled \$3,950,000, while investments from the Depositors reserve trust account now include over \$15,700,000 of Dominion Victory Bonds.

Revenue from the operations of the Branches will approximate \$804,000 for the current fiscal year ending March 31st, 1946; which will assure a surplus over all operating costs including maintenance charges for the year.

Thirty-six Branches, 14 Sub-Branches and 143 Agencies are now in operation. Three main Branches and one Sub-Branch were opened during this year. Provision is made in the Estimates for the ensuing fiscal year for an increased appropriation to provide for the opening of a further number of new Branches and Sub-Branches and also to provide better premises at certain points where the present premises are inadequate to meet the growing public requirements.

#### THE ALBERTA HAIL INSURANCE BOARD

In 1945 the Board completed its eighth year of valuable service to the farmers of this Province.

In spite of severe hail losses, resulting in claims amounting to over \$969,000, all farmers who accepted the protection of the Board's policy of hail insurance at the lowest cost compatible with safety have, by now, received payment in full of their claims.

Although premium income for the year amounted to just over \$897,000, a payment of claims in full and the meeting of expenses of operation was made possible by the fact that a substantial reserve fund had been built up in more favourable years.

The Board will continue to provide adequate protection at the lowest possible rates consistent with its policy of slowly building up an adequate reserve fund for the protection of its policy holders against the effects of a calamitous year such as this Province has experienced more than once in the past. There has not been an exceptionally severe hail season during the last five years; but reference to the following figures will show that in two years out of five it has been necessary to draw on the reserve fund in order to make up deficiencies in premium income:

##### Reserve Fund as at:

March 31, 1942	\$527,000.
March 31, 1943	769,000.
March 31, 1944	671,000.
March 31, 1945	837,000.
March 31, 1946	728,000.

During the eight years of its existence the Board has collected slightly in excess of 99.97% of the premiums payable during the entire period.

It should be borne in mind that the Board functions without the financial assistance or guarantee of the Government.



## PUBLIC ACCOUNTS

## FISCAL YEAR ENDED MARCH 31st, 1945

The Public Accounts for the past fiscal year which ended March 31st, 1945, have been tabled, and furnish full details of the revenue and expenditure and other phases of the Province's financial affairs. This information has also been released to the public through the medium of the Press; and it is, therefore, unnecessary for me to deal with the statements in detail at this time. It should be recorded, however, that the operations for the year showed an overall surplus of \$3,374,514.94 after providing for all capital expenditures and after providing for the transfer of \$1,500,000.00 to the credit of the Post-War Reconstruction Fund.

Revenue of Income Account exceeded the amount estimated by \$5,395,351.17, mainly from the following sources: Gasoline and Fuel Oil Taxes, \$583,000; Income Tax, \$190,000; Succession Duties, \$476,700; Motor Car and Truck Licenses, \$571,000; Petroleum Fees, Rentals and Royalties, \$617,000; Timber Dues, \$188,000; Liquor Board profits, \$1,880,000.

Expenditures on Income Account totalled \$161,107.34 less than estimated, after providing \$202,827.50 to take care of the costs of the General Election, and an additional sum of \$146,822.95 by Special Warrant for Highways, Bridges and Ferries. Net Capital expenditures exceeded the amount estimated by \$148,587.16.

The overall surplus of \$3,374,514.94 for the past fiscal year is arrived at after providing for all expenditures on Income and Capital Accounts and statutory payments; but does not include the sum of \$423,665.41 expended for the redemption of Savings Certificates, and an amount of \$19,500 paid on account of Treasury Bills held by the Dominion Government.

## CURRENT FISCAL YEAR, 1945-46

The interim cash statement for the nine months' period of the present fiscal year will be tabled during the Session. Preliminary figures indicate that, excluding the adjustments as a result of refunding operations which, as you know, are not yet complete, we can anticipate an overall surplus on ordinary expenditures and capital in excess of two million dollars; and this may be a conservative figure. In the supplementary estimates we have provided an appropriation from General Revenue of \$1,500,000 for the credit of the Post-War Reconstruction Fund.

## ESTIMATES

## FISCAL YEAR ENDED MARCH 31st, 1947

May I now direct the attention of the Assembly to the estimated revenue and expenditures for the ensuing fiscal year ending March 31st, 1947. Copies of the detailed estimates have been tabled; and you will note that in arriving at the estimated budgetary requirements we have included expenditures on both Income and Capital Accounts and provision for debt retirement.

A summary of the total estimated and over-all requirements on both Income and Capital Accounts for the coming year are as follows:

Estimated Revenue—Income Account .....	\$28,818,700
Estimated Expenditures—Income Account .....	26,370,839
<b>Estimated Surplus before Debt Retirement .....</b>	<b>\$ 2,447,861</b>
<b>Net Payments—Statutory—Debt Retirement .....</b>	<b>1,387,000</b>
<b>Estimated Surplus—Income Account .....</b>	<b>\$ 1,060,861</b>
Estimated Receipts—Capital Account .....	\$ 1,841,473
Estimated Expenditures—Capital Account .....	6,560,486
<b>Estimated Net Capital Expenditures .....</b>	<b>\$ 4,719,013</b>
<b>Less Estimated Surplus Income .....</b>	<b>1,060,861</b>
Estimated sum required for Capital purposes to be provided from accumulated Surpluses .....	\$ 3,658,152

The estimated revenue on Income Account by Departments, with the estimates for the current year, are as follows:

#### REVENUE—INCOME ACCOUNT

Particulars	1946-47	1945-46	Increase	Decrease
Dominion of Canada .....	\$ 1,835,075	\$ 1,835,075		
Agriculture Department .....	183,510	154,900	\$ 28,610	
Agric. Dept. (Water Res.) .....	3,000	3,000		
Attorney General's Dept. ....	1,446,325	1,199,375	246,950	
Education Department .....	149,750	123,000	26,750	
Executive Council .....	84,000	86,000		\$ 2,000
Lands and Mines Dept. ....	2,799,325	2,906,225		106,900
Legislation .....	1,065	1,065		
Municipal Affairs Dept. ....	1,296,280	1,302,330		6,050
Provincial Secretary's Dept. ....	8,296,150	7,139,950	1,156,200	
Public Health Department .....	497,000	478,500	18,500	
Public Works Department .....	1,803,160	1,507,950	295,210	
Trade and Industry Dept. ....	134,400	117,200	17,200	
Treasury Department .....	10,289,660	9,199,860	1,089,800	
	<b>\$28,818,700</b>	<b>\$26,054,430</b>	<b>\$2,879,220</b>	<b>\$114,950</b>

A net increase of \$2,764,270

The main fluctuations in estimated revenue are due to increased receipts estimated from Registration Fees and Increment Taxes of \$75,000; Succession Duties, \$150,000; Game Licenses, \$30,000; Grazing and Land Leases, \$55,000; Timber Rentals, \$25,000; and Fish Royalties, \$25,000.

Amusement Tax receipts indicate an increase of \$50,000; also Motor Licenses, \$100,000; Fuel Oil Taxes, \$1,000,000; Truck Registration and Certificate Fees, \$275,000; Liquor Control Board Profits, \$1,000,000 and Treasury Branch Earnings, \$394,000.

Against these increases we anticipate a decrease of \$120,000 in the revenue from Mineral Taxation and a shrinkage of \$150,000 in royalties on Petroleum Production.

The total expenditures on Income Account are estimated at \$26,370,839.00, compared with \$25,254,447.11 for the current year, an estimated net increase of \$1,116,391.89.

The total estimated expenditures by Departments are as follows; and I shall give the estimates for the current year for the purpose of comparison:

## EXPENDITURE—INCOME ACCOUNT

Particulars	1946-47	1945-46	Increase	Decrease
Interest, Debt Retirement & other charges on Public Debt.....	\$ 5,241,974.00	\$ 6,566,834.00		\$1,324,860.00
Executive Council.....	355,456.00	332,181.00	\$ 23,275.00	
Legislation.....	268,760.00	265,070.00	3,690.00	
Agriculture Dept.....	825,096.00	795,587.00	29,509.00	
Agriculture Dept. (Water Resources)....	76,690.00	53,050.00	23,640.00	
Attorney Gen. Dept.....	913,783.00	874,599.66	39,183.34	
Education Dept.....	5,372,341.00	4,623,167.00 ✓	749,174.00	
Mun. Affairs Dept.....	187,968.00	209,743.00		21,775.00
Prov. Secy's Dept.....	183,177.00	178,656.34	4,520.66	
Public Health Dept.....	3,712,450.00	3,284,941.11	427,508.89	
Public Works Dept.....	3,905,681.00	3,248,936.00	656,745.00	
Railways & Telephones Dept. (Railways Br.)	4,746.00	4,746.00		
Treasury Department	1,105,215.00	991,966.00	113,249.00	
Lands and Mines Dept.	1,020,228.00	962,660.00	57,568.00	
Trade and Industry Department.....	226,794.00	205,581.00	21,213.00	
Public Welfare Dept....	2,686,756.00	2,449,117.00	237,639.00	
Can. Voc. Training.....	131,308.00	87,542.00	43,766.00	
Economic Affairs Dept.	152,416.00	120,070.00	32,346.00	
	<u>\$26,370,839.00</u>	<u>\$25,254,447.11</u>	<u>\$2,463,026.89</u>	<u>\$1,346,635.00</u>

A net increase of \$1,116,391.89

Increased expenditures provided for the various Departments of Government total \$2,463,026 when compared with the estimates for the present fiscal year. A reduction in the provision for Public Debt charges totalling \$1,324,860, due to the Debt Reorganization Programme becoming operative, and a reduction of \$21,775 in the total appropriation for the Department of Municipal Affairs results in a net increase in expenditures of \$1,116,391.89.

Against the Public Debt charges of \$7,264,430, we have shown a reimbursement of \$1,746,900, being the increased grant we will receive from the Dominion Government, and \$623,000 representing the portion of the debt assumed by the Alberta Government Telephones Department. In addition, we have provided the sum of \$125,000 for retirement of Alberta and Great Waterway Railway bonds, which were not included in the Debt Reorganization Programme. The net provision for debt charges including Treasury Bills held by the Dominion Government totals \$5,241,974.

In the estimates for the Department of Agriculture, Water Resources Branch, we have provided a new appropriation of \$10,000 for surveys and construction for stabilization of lake levels, an important phase of a water conservation programme. An additional sum of \$10,000 is also provided for maintenance of the High River protection works and repairs in the Drainage and Irrigation Districts.

The main estimates for Agriculture provide an additional \$12,000 for the Extension Branch, including the appointment of three additional District Home Economists and a specialist in nutrition. The Field Crops Branch estimates show an increase of \$17,000, the greater portion of which is for weed control. The amount provided for Schools of Agriculture shows an increase of \$17,000 due to the opening of the Vermilion School and increased enrolment. The Boys' and Girls' Club programme will be enlarged this year; and an additional \$9,000 is provided for this important phase of youth training in Agriculture.

Provision for the payment of a bonus on wool marketed in conjunction with the Dominion Government has been discontinued. This bonus was initiated as a war-time measure and the Government is of the opinion that the limited benefits accruing to a comparatively small group of producers do not justify the continuation of this public expenditure now that the war has ended. The Federal Government has set the price for wool under the War Measures Act; and if a higher price for that commodity is warranted, either the ceiling price should be increased or a subsidy paid by the Dominion Government. The saving of around \$60,000 has been used to extend the services of the Department of Agriculture; and allowing for this saving, the total increased appropriation for the Department amounts to \$85,000.

The estimated expenditures for the Attorney General's Department show an increase of \$39,000, of which \$23,000 is for additional staff in the Land Titles Office due to the increased registration, and \$16,000 for the Administration of Estates Branch, owing to the increased number of estates being handled.

Expenditures for the Department of Education are estimated at \$5,372,341, an increase of \$749,174. Grants to schools are estimated at \$3,700,000 as compared with \$3,117,620 for the current year, an increase of \$568,000. This provision for a substantial further increase in school grants will make possible the proclamation of the new School Grants Act passed by this Legislature last year.

A new and more equitable schedule of grants will then be worked out under the new Act and made operative this coming year.

In view of the public interest regarding increased Provincial assistance to Education, and because of the numerous inaccurate and misleading statements which are appearing currently with respect to the measure of financial aid provided by the Province, the following figures will be of interest to this Assembly, and to the public generally.

Year	Grants to Schools	Grants to University	Total Expenditures Education Dept. (Income Account)
1935-36.....	\$1,451,080	\$399,650	\$2,428,011
1938-39.....	1,663,766	412,147	2,871,342
1941-42.....	2,163,114	450,000	3,302,330
1944-45.....	2,717,699	602,500	4,072,402
1945-46 (Estimates).....	3,117,620	746,000	4,623,167
1946-47 (Estimates).....	3,700,000	825,000	5,372,341

It has been asserted in some quarters that, in recent years, Education has not received increased Provincial appropriations in proportion to the increase in the Public Revenues of the Province.

In 1935-36 Provincial revenue on income account amounted to \$16,575,151. The estimated revenue on income account for 1946-47 is \$28,818,700, an increase of 75%. During the same period Provincial Grants to schools have been increased from \$1,451,080 to \$3,700,000, an increase of 155% while total Provincial appropriations for Education (excluding Capital Expenditures) have been increased from \$2,428,011 to \$5,372,341, an increase of 120%. These figures are proof of the consistency with which the Government has adhered to its policy of progressively assuming more of the cost of Education within the limits imposed by its responsibility likewise to assure the continuation and expansion of other necessary Public services.

Public Health expenditures for the ensuing year are estimated at \$3,712,450, an increase of \$427,508. A total of \$589,000 is provided for care and treatment of Tuberculosis patients, an increase of \$52,000. An additional sum of \$24,500 is provided for Cancer Treatment. The sum of \$647,000 is required for Maternity Hospitalization, an increase

of \$130,000, due chiefly to the increased cost of hospitalization. An added sum of \$131,000 is included for Mental Institutions owing to increased costs and increased patient population.

The increase in the sums required for purposes of the Public Works Department amounts to \$656,745, as compared with the amount provided for the present fiscal year. The appropriation of \$410,290 for Maintenance of Bridges is an increase of \$175,000. An additional sum of \$150,000 is included for Maintenance of Main Highways, making the total appropriation \$1,000,000. Provision for District Highways and Local Roads is increased by \$200,000, making a total of \$700,000; including the sum of \$100,000 for special grants. The vote for Maintenance of Legislative and Departmental Buildings is increased by \$74,000 of which \$30,000 is for the expansion of Treasury Branches. Treasury Department estimates require an additional \$113,249, of which \$86,000 is for Treasury Branches, and will be offset by increased revenue from earnings. A new appropriation of \$5,000 is included for the expenses under The Alberta Industrial Development Act, to which I have already made reference.

Increased expenditures totalling \$57,000 are shown in the Lands and Mines Department, mainly in connection with the protection of our forests and the Administration of The Game Act. Trade and Industry estimates are higher by \$21,000 after making allowances for the transfer of the appropriation for the Social Credit Board and the Publicity and Travel Bureau, both of which have been transferred to the Department of Economic Affairs, and the vote for The Apprenticeship Act, which is now included under the Canadian Vocational Training section of the Estimates. The main increase is an additional \$10,000 for the Alberta Power Commission, which is carrying on an extensive survey of possible power development on various rivers in conjunction with its studies of rural electrification.

In accordance with the Government's policy with respect to Public Welfare, the estimates of this Department of Government provide increased appropriations over the total granted for the present year amounting to \$237,639. An increased appropriation of \$13,000 is included for the re-establishment and re-habilitation of "Metis"; and one new unit will be established during the coming year. An increased sum of \$383,000 is provided for Old Age and Pensions for the Blind, due to the anticipated increase in the number of pensioners; and a sum of \$50,000 is included for a grant to the Canadian Institute for the Blind, as a contribution from public revenue towards the establishment of suitable centres for the Blind in both the Cities of Calgary and Edmonton. I am sure every Member of this Assembly and the public will approve of this provision in the estimates. The estimate for Mothers' Allowance is fixed at \$661,000, an increase of \$51,000. It is the Government's intention to provide for a continuation of the allowance for children up to the age of 18 years, providing they continue at school, a policy which I am confident, will have your approval.

The section included under the heading of Canadian Vocational Training was previously referred to as Youth Training. This section is now a grouping of the various educational and training programmes carried on by agreement with the Dominion Government. Several of the training courses instituted during the years of war have been redesigned to train men and women for civil employment; and the Government of this Province is co-operating in this essential and important work. The net cost to the Province is shown at \$131,308, an increase of \$44,000.

The Economic Affairs Departmental Estimates show an increase of \$32,400 after the transfer of the appropriations previously carried under the Department of Trade and Industry. Increased expenditures of \$37,000 are provided for in the appropriation for Tourist and Travel Bureau, Publicity and Information services. You will note that appropriations are now set up in the Department under Technical Development, Housing, and Promotion of Cultural Activities, the votes aggregating the sum of \$25,282. These are new services which, in the opinion of the Government, are necessary and in the public interest.

May I now direct your attention to the Capital section of the Estimates.

The estimated receipts for the year total \$1,841,473, a net increase of \$683,631, as compared with the estimates for the present fiscal year. The details are as follows:

#### RECEIPTS—CAPITAL ACCOUNT

Particulars	1946-47	195-46	Increase	Decrease
Agriculture Department.....	160,050.00	100,050.00	60,000.00	.....
Agric. Dept. (Water Res.).....	288,523.00	310,242.00	.....	\$21,719.00
Agricultural Relief.....	104,900.00	94,950.00	9,950.00	.....
Education Department.....	1,100.00	1,100.00	.....	.....
Executive Council.....	580,000.00	558,000.00	22,000.00	.....
Lands and Mines Dept.....	12,000.00	12,000.00	.....	.....
Municipal Affairs Dept.....	9,800.00	9,800.00	.....	.....
Public Works Dept.....	18,200.00	17,200.00	1,000.00	.....
Treasury Department.....	666,300.00	54,500.00	612,400.00	.....
	<u>\$1,841,473.00</u>	<u>\$1,157,842.00</u>	<u>\$705,350.00</u>	<u>\$21,719.00</u>

A net increase of \$683,631.00

The receipts under the Department of Agriculture total \$160,000, an increase of \$60,000. The total sum represents payments resulting from the distribution of approved potato seed stock and seed grain under the operation of the Seed Conservation Policy, and the policy of making available to potato growers seed stock free from disease. This service, administered by the Department of Agriculture, has greatly improved the quality of potatoes produced, and also ensures a supply of quality seed grain in years when there is an insufficient supply available in certain areas of the Province. Treasury Departmental receipts show an increase of \$612,400, representing repayment of advances to the Telephone Department of \$259,800, and the sum of \$351,100 from the Alberta Wheat Pool.

Payments on Capital Account are estimated at \$6,560,486, a net increase of \$3,900,377 over the sum provided for the present year. The details by Departments are as follows:

#### PAYMENTS—CAPITAL ACCOUNT

Particulars	1946-47	1945-46	Increase	Decrease
Executive Council.....	310,000.00	305,000.00	5,000.00	.....
Agriculture Dept.....	138,250.00	128,150.00	10,100.00	.....
Agric. Dept. (Water Res.)...	171,143.00	177,843.00	.....	6,700.00
Agriculture Dept.				
Agric. Relief.....	13,155.00	18,256.00	.....	5,101.00
Lands and Mines Dept.....	35,000.00	35,000.00	.....	.....
Municipal Affairs Dept.....	2,500.00	2,500.00	.....	.....
Public Works Dept.....	5,712,438.00	1,812,360.00	3,900,078.00	.....
Treasury Department.....	178,000.00	181,000.00	.....	3,000.00
	<u>\$6,560,486.00</u>	<u>\$2,660,109.00</u>	<u>\$3,915,178.00</u>	<u>\$14,801.00</u>

A net increase of \$3,900,377.00

The major item in this year's capital expenditures is that of \$3,362,840. for main highway construction, an increase of \$2,300,000. over the amount provided last year.

Provision for bridge construction has been increased from \$35,000 to \$200,000.

These appropriations represent the first year's necessary capital expenditures under the Government's five-year Provincial highway construction programme, which already has been announced. Appropriations provided for this purpose are sufficient to finance the total amount of the Provincial highway and bridge construction for which materials and manpower will be available during the coming season. The major part of the work planned for the ensuing year is necessary to offset the depreciation of the war years when our main highways were subjected to excessive heavy wartime traffic and during which time neither manpower, materials or equipment were available for an adequate annual programme of construction and maintenance.

The appropriation for Legislative and Departmental Buildings is \$219,898, an increase of \$104,000, which includes a grant of \$25,000 to the University of Alberta for new equipment; and also an expenditure of \$100,000 for equipment for the Institute of Technology at Calgary, fifty per cent of which will be reimbursed by the Dominion Government.

For Public Buildings and Institutions we have provided \$1,664,250, an increase of \$1,518,000, over last year. This includes the sum of \$500,000 for the construction of a new agricultural school, of which fifty per cent will be borne by the Dominion Government under the Vocational Education Agreement; \$415,000 has been provided as an initial expenditure for the Post-war building programme of the University which is necessary and urgent in order to provide much needed additional classroom accommodation; \$125,000 has been provided for new construction at Oliver and Ponoka Institutions; \$400,000 to meet the expenditures of the ensuing year in the construction of a new hospital for Tubercular patients in Edmonton; and \$100,000 for premises required for Treasury Branches. A sum of \$45,200 also is provided for Power Plants and Water Storage Reservoir at Fort Saskatchewan and Oliver Institutions. These items are in addition to sums annually provided to cover normal requirements for the various Departments.

It will be noted that the increased Capital expenditures to which I have referred include various projects which have been planned as a part of our Post-War Construction Programme, and all of which are considered necessary and in most cases urgent. In addition to these expenditures, we now have under way certain other work projects which will be paid for from funds already appropriated and placed to the credit of the Post-War Reconstruction Fund, and which properly should be included when appraising the over all Provincial Post-War Programme.

Summarized, the Post-War Construction Programme, for which provision has been made this year, will consist of the following major projects: Main Highways, \$3,300,000; Bridges, \$200,000; University of Alberta Buildings, \$415,000; Mental Institutions, \$120,000; Hospital, \$400,000; Agricultural School, \$515,000; a total of \$4,950,000. Projects under way and chargeable to the Post-War Reconstruction

Fund consist of the Grimshaw-Slave Lake Highway, \$1,000,000; The University Hospital Nurses' Home, \$450,000; and the East Pothole Coulee Irrigation Dam, \$350,000. These projects total \$1,800,000, making a total Post-War Construction Programme of \$6,750,000, all of which is being financed without incurring one dollar of public debt and without jeopardizing the cash position or the essential public services of the Province.

The sums allocated for Capital purposes for the University of Alberta are only a portion of the amount necessary to complete the major projects which should be commenced this year but are sufficient to carry the work as far as it will be feasible to go during the current season. This also applies to the amount included for the erection of the Tuberculosis Hospital. It must be borne in mind that not only are construction costs excessive at the present time but there is also a serious shortage of building materials not only in this Province, but throughout Canada. It, therefore, is the opinion of the Government that we should not proceed at the present time with the construction of public buildings except where they are urgently required, in that to do so would be to utilize materials and equipment more urgently needed for the construction of homes and other housing accommodation.

The total sum provided for expenditures on Capital Account for the ensuing year, in the opinion of the Government, is commensurate with the actual immediate needs of the Province, notwithstanding the ill considered demands from certain sections of the public and the Press that now the war is over we should immediately embark on a tremendous programme of public spending at the taxpayers' expense, and without regard to our future position.

If, as a Province, we were permitted to exercise effective control over our money and credit resources the situation would be different but as long as we are restricted to taxation or its equivalent as our exclusive source of public revenue we consider it our duty to provide our people with essential social services first and then to carry out a progressive programme of capital expenditures in keeping with the economic development of our Province and within our ability to finance without increasing the burden of public debt.

### DEBT REORGANIZATION PROGRAMME

Under the provisions of The Provincial Debt Reorganization Act, 1945, passed at the special session of the Legislature held in July last year, the Government proceeded to effect the refunding of the debenture debt of the Province on the basis which I outlined in detail to this Assembly at that time. The plan to become operative when 75% of the outstanding debentures and registered stock was deposited with letters of acceptance signed by the individual holders, and when the sale of new debentures totalling \$29,565,000 had been negotiated. By October 6th the required amount of debentures had been deposited; and on October 24th the programme was declared operative.

I am pleased to report, Mr. Speaker, that debentures and stock to the amount of \$107,907,900, or 95.28% of the total of \$113,253,109, included in the debt reorganization programme have now been deposited, and the adjusting payments and the exchange of debentures involved are practically complete to date.



The total of the debenture issues included in the programme as at May 31st, 1945, was \$127,098,859. Debentures held in the Sinking Funds and Special Investment Fund totalled \$13,845,749. These debentures were cancelled, reducing the gross debenture debt by that amount, leaving a net total of \$113,253,109, to be dealt with under the refunding plan.

The details of the debenture issues follow:

	Total Issues	Cancelled	Outstanding
Matured Direct Issues.....	\$ 37,141,192.47	\$ 3,780,990.69	\$ 33,360,201.78
Unmatured Direct Issues.....	83,207,166.66	7,386,258.73	75,820,907.93
Guaranteed Issues.....	6,750,500.00	2,678,500.00	4,072,000.00
	<u>\$127,098,859.13</u>	<u>\$13,845,749.42</u>	<u>\$113,253,109.71</u>

The adjustments on unpaid interest, together with the premium adjustments in the case of unmatured bonds, required a cash settlement amounting to \$17,565,000 of which amount \$9,387,733, was obtained from the Dominion Government under an amendment to the Tax Transfer Agreement, leaving a balance of \$8,177,267 to be paid by the Province.

It will be noted that this sum is over \$200,000 less than the cash adjustment payment required under the original refunding programme approved by this Legislature.

The portion of this cash settlement, provided by the Dominion Government, was made up of a grant of \$2,400,000 representing a fiscal subsidy of \$600,000 per year for the years 1937-1941 and under the Debt Service Option, with respect to the Tax Transfer Agreement, an increased annual grant of \$1,746,933, for the years 1941-1945, making the total of \$9,387,733.

The balance of the interest and premium adjustments included in the debt reorganization programme, amounting to \$10,827,000, is extended over a period of five years without interest and is represented by special talons or coupons attached to the new 3½% debentures. These payments are offset to the extent of \$3,493,800, by two increased annual payments from the Dominion Government under the amended Tax Transfer Agreement already referred to. While the present agreement will expire on March 31st, 1947, it is reasonable to assume that the present agreement will be replaced by an arrangement providing a substantially increased grant to the Province.

The balance of the special coupons not offset by the increased Dominion Grants is offset in the annual debt service charges, as compared with the original refunding proposal, by the lower interest rates and by the fact that the period for the complete retirement of the public debt has been extended from 33 to 35 years.

The Honourable Members of this Assembly and the Public generally will be particularly interested in the comparative annual debt service charges under the Government's original refunding proposal and the debt reorganization programme finally effected.

The original proposal, based on the complete retirement of \$113,253,000 at 3½% in 33 years, required an annual debt service charge of \$5,841,000.

The programme which has been implemented provides for the retirement of the entire debt in 35 years at interest rates ranging from 2% to a maximum of 3½% and requires an annual debt service charge of \$5,815,000 for the next 15 years and \$5,509,000 per year for the last 20 years, a reduction of \$26,000 per year for 15 years and of \$332,000 per year for the last 20 years of the schedule.

The schedule for the current year provided for the retirement of \$3,795,201 of defaulted bonds, reducing our total debenture debt by that amount. In order to provide the balance of the funds required to pay off our defaulted bonds, the sale of new debentures totalling \$29,565,000 was proceeded with in October. An issue of debentures totalling \$3,472,000, dated June 1st, 1945, payable in Canada only, maturing in 1 to 5 years, and bearing interest at 2 to 2½% per annum was sold at \$99.75 and accrued interest, or at a cost of approximately 2.20%. An issue of \$26,093,000 serial bonds maturing in 1951 to 1960, carrying interest at 2¾ to 3¼%, an average coupon rate of 3.09%, and payable optionally in Canada or the United States was sold at \$96.25 and accrued interest United States funds. This sale was equivalent to a sale in Canada at \$105.87 and an approximate cost of 2.50%. The proceeds from the sale of both issues including the accrued interest totalled \$28,930,831.

In financing to the extent of \$26,000,000 in the American market, we saved an outlay of over \$2,600,000 for the purchase of New York Exchange on matured debentures payable in that currency. We will have to meet this cost on the interest payable as long as the discount on Canadian dollars prevails but you will note that under the new Schedule we have no principal payments due outside Canada until 1951.

To summarize the results of the debt reorganization programme we have reduced our annual debt service charges below those required to implement the Government's original refunding proposal. We have released from Sinking Funds approximately \$4,000,000 of cash and securities other than those of the Province. We have established an average coupon rate of less than 3.40%, the lowest of any Province in Canada, and we have placed our debenture debt on a systematic yearly pay-off basis over a period of 35 years; thus becoming the first Canadian Province to serialize its indebtedness and to initiate a programme of debt retirement under which its people ultimately will be entirely freed from the burden of annual public debt service charges.

In addition, all the new 3½% debenture issues, totalling \$79,000,000, are callable at par at the option of the Province in advance of maturity on any interest date on or after the first day of June, 1950. In view of the continued downward trend in interest rates on Government borrowings and as a result of the preferred position in which our Province now is established, we may confidently expect to effect further substantial reductions in our debt service charges by refinancing all or part of our remaining indebtedness at even more advantageous rates in the future. It should also be noted that the new bonds, issued under the debt reorganization programme, replace debentures which were practically all exempt from Income Tax and Succession Duties imposed by the Province.

#### ALBERTA GOVERNMENT TELEPHONES

The operations of the Alberta Government Telephones System will show a satisfactory statement for the present fiscal year; and the

statement for the year ended March 31st, 1945, is included in the Public Accounts which have been tabled.

The reorganization of the debenture debt of the Province has enabled the Government to revise the debt service charges on that portion of the debt representing advances to the Telephones Department. Under the revision now made, they will assume all charges on \$21,000,000. Of this sum, \$3,000,000 will be repaid over a period of ten years, and the balance of \$18,000,000 in equal annual payments of principal over a period of thirty-five years at  $3\frac{1}{2}\%$ .

The payments of interest under the Schedule with respect to the \$18,000,000 are shown as a reimbursement against public debt service charges; and you will note the sum of \$623,000 in the estimates tabled. The principal sum repayable in 1946 is \$272,000; and this is an offset to the payment of \$1,650,000 by the Province under statutory payments. The payments on the \$3,000,000 are treated differently; and the interest payable in the next fiscal year of \$98,300, is included in Treasury Department Revenue; and the principal sum payable of \$259,000 is shown under Treasury Department Capital Receipts.

The sum total of \$18,000,000 represents the appraised value of the Telephones System based on the Barker report made in April, 1934, plus additions after allowing for the abandonment of the rural lines; and the \$3,000,000 is the balance chargeable to the Telephone Department as a result of the adjustments in connection with the refunding plan. The Telephone operations will under this reorganization, carry the full charges on the \$21,000,000; and their operating results will be shown on a sound basis. After providing for these charges and the full requirements for replacements, depreciation, etc., if the System earns a surplus, this may be paid to the Provincial Treasurer, and become part of the Public Revenue of the Province.

### PUBLIC DEBT

The effect of the Debt Reorganization, apart from the phases I have previously mentioned, are of particular interest when reviewing the Public Debt of the Province; and in order to provide a basis for comparison, I will give you the figures of the funded, unfunded and guaranteed debt for the years ended March 31st, 1936, March 31st, 1945, and the estimated position as at February 28th, 1946, and upon completion of the refunding of our debenture debt.

	Public Debt		Estimated
	March 31/36	March 31/45	Feb. 28/46
Net Funded Debt—Debentures.....	\$117,515,000	\$110,925,000	\$114,882,000
Net Guaranteed Debenture Debt.....	5,611,000	4,021,000	
Treasury Bills.....	25,426,000	27,896,000	26,232,000
Net Funded Debt.....	\$148,552,000	\$142,842,000	\$141,114,000
Unfunded Debt:			
Savings Certificates.....	9,286,000	3,127,000	1,100,000
Temporary Loans.....	5,700,000		
Superannuation Fund.....	2,234,000	3,986,000	4,230,000
Miscellaneous Liabilities.....	1,194,000	284,000	200,000
Net Funded and Unfunded Debt.....	\$166,966,000	\$150,239,000	\$146,644,000

You will note from these figures that a reduction of \$20,322,000 has been effected in the net funded and unfunded debt of the Province since this Government assumed office and after giving effect to the Debt Reorganization Programme. The new debt service schedule provides for a further reduction in the debenture debt of \$1,650,000 on June 1st, 1946; and \$1,687,000 on June 1st, 1947, with progressively increasing annual reductions in the later years of the Schedule until the entire debt is liquidated at the end of 35 years. I submit, Mr. Speaker, that these actual results already obtained as reflected in the figures I have just quoted show the consistency of the Government's policy of maintaining essential service to the people of this Province while at the same time progressively decreasing the burden of debt and the annual toll of debt service charges.

Before leaving the matter of Public Debt, may I say a few words with respect to government policy in the matter of future borrowing.

As I have already stated it is the Government's intention to continue to reduce the burden of Public Debt as rapidly as circumstances permit, and adhere to our "pay as you go" policy in the matter of all ordinary expenditures. If it should become necessary to obtain additional funds for post-war development projects by means of public borrowing, the Government is of the opinion that such funds should not be borrowed on the general credit of the Province and the debt service charges to provide interest and principal payments should not become a further charge against the general tax revenues of the Province. The Government is of the opinion that post-war development projects for which it may become necessary to borrow capital in the future, such as irrigation, or electrification, should be set up as self-liquidating projects under a proper administrative authority empowered by this Legislature to borrow the funds necessary. By this procedure each such project could be established on a basis that would provide for its own specific source of revenue to take care of its own debt service charges amortized over a proper period. Under an arrangement of this kind, the debentures issued for such purposes could be guaranteed by the Province, thereby assuring that the money would be obtained at the lowest possible interest rates without imposing any additional burden of debt service charges on the general public revenues of the Province.

The present debt service charges are well within the capacity of the Province, without jeopardizing what are now recognized as the essential services of government. In all our negotiations leading up to the refunding of our debt, this essential factor was insisted upon by the Government and I am confident that in the debt reorganization programme finally adopted and implemented we have attained this important objective. This fact, together with the Government's intention to adhere to the policy I have just outlined with respect to ordinary expenditures and future borrowings, should establish conclusively the present and future soundness of Alberta's financial commitments.

In closing my Budget Address last year, I emphasized the importance of an early and satisfactory adjustment of Dominion-Provincial relations in the interests of each and every Province, and of Canada as a whole.

Since that time a Dominion-Provincial Conference has been convened and, in addition to the sessions of the Conference itself, a Co-

ordinating Committee consisting of the Prime Minister of Canada and the Premiers of the Provinces has met for extended sessions on two occasions for the discussion of this vital problem. In so far as the Government of Alberta is concerned, I can only repeat what I said last year, namely, that we mean business in this matter and stand ready and anxious to do our full share towards bringing about an effective and permanent solution to this serious national problem at the earliest possible date.

We have made two formal submissions to the Dominion-Provincial Conference in which we have endeavoured to set out what we believe are the basic factors which must be taken into account if we are to enjoy a sound post-war Canadian economy in which it will be possible for all to enjoy social and economic security with the maximum of individual opportunity and if we are to establish Dominion-Provincial relations on a basis that will assure permanent national unity and harmony and a maximum degree of mutual co-operation in the conduct of national and provincial affairs.

It is generally recognized today that vastly increased expenditures on the part of the Governments and private enterprise will be necessary in the post-war years if we are to ensure a high level of National production and implement programmes of reconstruction and rehabilitation adequate to ensure the well being of our people. Once the ingenuity of man overcomes the wartime scarcity of consumer goods and essential materials, the extent of our post-war development within the broad physical limits of our abundant natural resources will be restricted only by man-made financial bottlenecks.

Before closing this address tonight I want to sound a note of solemn warning that the proposals being advanced today as solutions to the pre-war problems of insufficient money to meet the needs of both individuals and governments will not, and cannot, succeed. Almost without exception the solutions proposed are founded on the erroneous idea that the mere redistribution of an inadequate national income will solve the financial problems of individual citizens, and that a redistribution of inadequate fields of public revenue will solve the financial problems confronting governments.

In our formal submissions to the Dominion-Provincial Conference, we have done all in our power to warn the governments of Canada of the fallaciousness of this dangerous assumption, and have endeavoured to point out what we believe is an effective alternative course of action. Because of the direct and important bearing which this matter has upon the financial affairs of this, as well as every other Province, may I conclude this address by quoting briefly from our submission to the Dominion-Provincial Conference with respect to the question of public finance in the post-war era which we have already entered.

I quote:

"There are those who contend that the solution to our problem lies in the redistribution of the various fields of taxation as between the Dominion and the Provinces. Certain adjustments in the fields of public revenue and in the powers of taxation certainly are desirable and necessary, but let us never forget that the mere realignment and redistribution of the powers of government to extract public revenue from the pockets of Canadian business and the Canadian people does not, and cannot, increase by one red cent the amount in those pockets

that is available for extraction. In other words no amount of mere juggling the respective fields of taxation as between Dominion, Provincial, and Municipal Governments, can possibly enhance the ability of the Canadian people either to tax or borrow themselves into an era of permanent post-war prosperity.

"We have already contended that it is definitely the Dominion's responsibility to ensure that the Provinces have adequate revenues to enable them to discharge fully their constitutional responsibilities and to meet their extensive additional post-war requirements, but the cold hard fact must be faced that to do so on an adequate scale would require the Dominion to turn over to the Provinces exclusively some of its major fields of revenue, or alternatively, to turn over such a large portion of its revenue from those sources that the Dominion Government itself would be left with insufficient revenues to discharge its responsibilities when the scale of taxation is reduced to normal peace time levels. It is useless to attempt to avert this situation by seeking to maintain taxation at excessive war time levels and by continuing a policy of mortgaging our future by borrowing ourselves still deeper into debt—a course which ultimately must defeat its own end and precipitate the very crisis it seeks to defer.

"In the light of these circumstances the effective solution to our problem obviously requires a policy that goes far beyond the mere adjustment of our respective responsibilities or the re-allocation of our present inadequate sources of public revenue. It lies within the sovereign power of the Dominion Government, through the Bank of Canada, to monetize fully the real wealth of the nation as represented by our abundant national production, and to utilize the financial credit representing the monetization of that real wealth to supplement the ordinary public revenues of the Dominion and the Provincial Treasuries.

"Such a monetary policy, operated within adequate scientific safeguards against both inflation and deflation, would enable the Dominion Government to ensure to the Provinces adequate revenues to discharge fully their constitutional responsibilities without jeopardizing its own financial position, and would, at the same time, remove the necessity for excessive taxation and the accumulation of further public debt. It would put the Dominion and the Provincial Governments in a financial position to implement adequate programmes of post-war rehabilitation and reconstruction, which would raise progressively the standard of living of the Canadian people to the high level which the abundance of our resources and our steadily expanding productive capacity would make physically possible."

Mr. Speaker, I move that you do now leave the chair and that this Assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.



GOVERNMENT OF THE PROVINCE OF ALBERTA  
STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT MARCH 31st, 1945

STATEMENT No. 1

Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate (a)	Where Payable	Denominations	Distribution	
								General Revenue	Telephones
<b>Debentures and Stock Not Due:</b>									
April 15, 1940.....	April 15, 1945.....		\$ 750,000.00	4 1/2 %	2 1/4 %	M., T., E.	\$750,000.00	\$ 750,000.00	
June 15, 1926.....	June 15, 1945.....		2,250,000.00	4 1/2 %	2 1/4 %	M., T., E., N.Y., L.	\$1,000.00	2,250,000.00	
Jan. 15, 1926.....	Jan. 15, 1946.....		3,750,000.00	4 1/2 %	2 1/4 %	M., T., E., N.Y., L.	\$100.00; \$500.00; \$1,000.00	\$ 2,000,000.00	\$ 2,000,000.00
Jan. 2, 1922.....	Jan. 2, 1947.....		3,846,000.00	5 1/2 %	2 3/4 %	M., T., E., N.Y., C., V.	\$1,000.00	1,846,000.00	896,000.00
Mar. 1, 1932.....	Mar. 1, 1947.....		5,000,000.00	6 %	3 %	M., T., E., N.Y., C., V.	\$500.00; \$1,000.00	4,104,000.00	4,800,000.00
Jan. 1, 1923.....	Jan. 1, 1948.....		4,800,000.00	5 %	2 1/2 %	M., T., E., N.Y.	\$1,000.00	3,272,000.00	468,000.00
April 15, 1925.....	April 15, 1950.....		3,740,000.00	5 %	2 1/2 %	M., T., E., N.Y., C., V., N.Y.	\$1,000.00	3,649,000.00	
Oct. 1, 1931.....	Oct. 1, 1951.....		5,649,000.00	4 1/2 %	2 1/2 %	M., T., E., N.Y., C., V.	\$1,000.00	3,000,000.00	
April 1, 1922.....	April 1, 1952.....		3,000,000.00	5 1/2 %	2 3/4 %	M., T., E., N.Y., C., V.	\$1,000.00	1,000,000.00	
July 15, 1933.....	July 15, 1953.....		1,000,000.00	4 %	2 %	M., T., E., W., C., V.	\$1,000.00	1,000,000.00	
Oct. 15, 1924.....	Oct. 15, 1954.....		1,000,000.00	4 1/2 %	2 1/2 %	M., T., E., W., C., V.	\$1,000.00	1,000,000.00	
(b) Dec. 15, 1934.....	Dec. 15, 1949-54.....		3,000,000.00	4 %	2 %	M., T., E., W., C., V.	\$100.00; \$500.00; \$1,000.00	2,125,000.00	875,000.00
July 15, 1925.....	July 15, 1955.....		500,000.00	5 %	2 1/2 %	M., T., E., N.Y., C., V.	\$1,000.00	500,000.00	
Sept. 1, 1933.....	Sept. 1, 1955.....		2,850,000.00	5 %	2 1/2 %	M., T., E., N.Y., C., V.	\$1,000.00	2,850,000.00	
Oct. 1, 1926.....	Oct. 1, 1956.....		6,000,000.00	4 1/2 %	2 1/2 %	M., T., E., N.Y., C., V.	\$1,000.00	1,750,000.00	1,243,605.65
Jan. 15, 1927.....	Jan. 15, 1957.....		1,275,000.00	4 1/2 %	2 1/2 %	M., T., E., N.Y., C., V.	\$1,000.00	1,275,000.00	
Dec. 1, 1927.....	Dec. 1, 1957.....		1,850,000.00	4 %	2 %	M., T., E., C., V., N.Y.	\$500.00; \$1,000.00	2,800,000.00	692,000.00
July 16, 1928.....	July 16, 1958.....		3,500,000.00	4 1/2 %	2 1/2 %	M., T., E., C., V., N.Y.	\$1,000.00	2,800,000.00	
Oct. 1, 1928.....	Oct. 1, 1958.....		5,915,000.00	4 1/2 %	2 1/2 %	M., T., E., W., C., V., L., N.Y.	\$500.00; \$1,000.00	5,915,000.00	
(c) Jan. 1, 1909.....	Jan. 1, 1959.....		7,400,000.00	5 %	3 %	M., T., E., W., C., V., L., N.Y.	\$1,000.00	7,400,000.00	
Oct. 1, 1929.....	Oct. 1, 1959.....		6,000,000.00	5 %	2 1/2 %	M., T., E., W., C., V., L., N.Y.	\$100.00; \$500.00; \$1,000.00	3,913,500.00	2,086,500.00
May 1, 1930.....	May 1, 1960.....		3,000,000.00	4 1/2 %	2 1/2 %	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,000,000.00	
April 1, 1931.....	April 1, 1961.....		5,000,000.00	4 1/2 %	2 1/2 %	M., T., E., W., C., V., N.Y.	\$100.00; \$500.00; \$1,000.00	3,250,000.00	1,750,000.00
July 1, 1926.....	July 1, 1926.....		546,000.00	4 1/2 %	2 1/2 %	M., T., E., N.Y.	\$1,000.00	546,000.00	
June 1, 1932.....	June 1, 1962-67.....		4,866,666.66	5 %	2 1/2 %	L.	£140 Stock	4,136,666.66	730,000.00
June 1, 1927.....	June 1, 1967.....		5,239,500.00	4 1/2 %	2 1/2 %	\$1,364,500.00 E., V., Vic. \$3,875,000.00 M., T., E., Vic., N.Y.	\$1,000.00	3,870,500.00	1,369,000.00
Feb. 15, 1924.....	Feb. 15, 1974.....		500,000.00	5 %	2 1/2 %	E.	\$500,000.00	500,000.00	
July 15, 1924.....	July 15, 1974.....		250,000.00	5 %	2 1/2 %	E., Vic.	\$250,000.00	250,000.00	
June 15, 1925.....	June 15, 1975.....		130,000.00	5 %	2 1/2 %	E.	\$130,000.00	130,000.00	
May 1, 1930.....	May 1, 1980.....		1,000,000.00	4 1/2 %	2 1/2 %	E.	\$1,000,000.00	1,000,000.00	
Less: Sinking funds.....			\$93,607,166.66				\$ 81,497,061.01	\$ 12,110,105.65	
Sub-total.....			9,627,004.54				8,841,222.64	785,781.90	
			\$83,980,162.12				\$ 72,655,838.37	\$ 11,324,323.75	
<b>Stock and Debentures Past Due:</b>									
April 1, 1921.....	April 1, 1936.....		\$ 2,846,000.00	6 %	3 %	M., T., E.	\$500.00; \$1,000.00	\$ 888,000.00	\$ 1,958,000.00
Nov. 1, 1921.....	Nov. 1, 1936.....		1,108,000.00	6 %	3 %	M., T., E.	\$500.00; \$1,000.00	886,500.00	222,500.00
June 1, 1931.....	June 1, 1937.....		1,650,000.00	4 1/2 %	2 1/2 %	M., T., E., W., C., V., N.Y.	\$1,000.00	1,650,000.00	
June 1, 1908.....	June 1, 1938.....		2,000,000.00	5 %	2 1/2 %	M., T., E., N.Y.	\$100.00	1,000,000.00	2,000,200.00
Jan. 1, 1939.....	Jan. 1, 1939.....		2,500,000.00	5 1/2 %	2 1/2 %	M., T., E., N.Y.	\$1,000.00	1,000,000.00	
Jan. 15, 1924.....	Jan. 15, 1939.....		2,500,000.00	5 1/2 %	2 1/2 %	M., T., E., N.Y.	\$100.00	2,500,000.00	
June 1, 1924.....	June 1, 1939.....		750,000.00	5 %	2 1/2 %	M., T., E.	\$100.00; \$500.00; \$1,000.00	750,000.00	
Sept. 1, 1924.....	Sept. 1, 1939.....		250,000.00	5 %	2 1/2 %	E.	\$9,000.00; \$16,000.00; \$25,000.00	250,000.00	



Feb. 15, 1924	2,000,000.00	5%	M., T., E., W., V.	\$500.00; \$1,000.00	2,000,000.00	
Feb. 15, 1925	750,000.00	5%	M., T., E., Vic.	\$1,000.00	750,000.00	
July 15, 1926	750,000.00	4½%	M., T., E., L., N.Y.	\$1,000.00	750,000.00	
Sept. 1, 1921	2,250,000.00	6%	M., T., E.	\$500.00; \$1,000.00	2,250,000.00	
Oct. 1, 1921	1,800,000.00	6%	M., T., E.	\$230.68; \$1,000.00	1,800,000.00	
Oct. 1, 1921	1,053,230.68	6%	M., T., E.	\$1,000.00	1,053,230.68	
Dec. 1, 1921	700,000.00	6%	M., T., E., N.Y.	\$1,000.00	700,000.00	
Jan. 15, 1922	1,250,000.00	4½%	M., T., E., Vic., N.Y.	\$1,000.00	1,250,000.00	
July 1, 1927	1,500,000.00	4½%	M., T., E., C., Vic., N.Y.	\$1,000.00	1,500,000.00	
Sept. 15, 1942	2,948,000.00	5%	M., T., E., N.Y.	\$1,000.00	2,948,000.00	
Nov. 1, 1942	53,178.07	4%	L.	£10.0 Stock	729,724.41	
April 1, 1943	3,500,000.00	5%	M., T., E., N.Y.	\$500.00; \$1,000.00	10,635.62	
July 1, 1943	2,000,000.00	5%	M., T., E., L.	\$1,000.00	1,500,000.00	
Nov. 1, 1943	2,831,583.72	4½%	\$135,333.34 M., T., E.	\$100.00; \$133.34; \$1,000.00	2,000,000.00	
Nov. 1, 1913			\$2,698,250.38 L.	£10.0 Stock	1,698,950.22	
Less: Sinking funds	\$34,141,192.47				\$ 21,433,810.25	
	7,196,422.69				5,233,435.72	
Sub-total	\$26,944,769.78				\$ 16,200,374.53	
<b>Treasury Bills:</b>						
April 15, 1944	\$ 1,815,500.00	3%	E., O.	Held by:	\$ 1,815,500.00	
June 1, 1945	2,448,000.00	3%	E., O.	Dominion of Canada	2,448,000.00	
Aug. 1, 1945	4,645,000.00	3%	E., O.	Dominion of Canada	4,645,000.00	
Sept. 1, 1945	350,000.00	3%	E., O.	Dominion of Canada	350,000.00	
Oct. 1, 1944	500,000.00	3%	E., O.	Provincial Treasurer	500,000.00	
Oct. 1, 1945	1,600,000.00	3%	E., O.	Dominion of Canada	1,600,000.00	
Dec. 1, 1944	6,192,000.00	3%	E., O.	Dominion of Canada	5,240,000.00	
Jan. 1, 1945	4,000,000.00	3½%	E., O.	Provincial Treasurer	4,000,000.00	
Jan. 15, 1946	200,000.00	3½%	E., O.	Provincial Treasurer	200,000.00	
Feb. 1, 1945	500,000.00	3%	E., O.	Dominion of Canada	500,000.00	
Jan. 15, 1946	4,509,000.00	3%	E., O.	Dominion of Canada	3,618,000.00	
Feb. 1, 1945	4,678,000.00	3%	E., O.	Dominion of Canada	3,895,500.00	
Sub-total	\$27,896,500.00				\$ 25,271,000.00	
<b>Summary:</b>						
Debentures and stock past due	\$93,607,166.66				\$ 81,497,061.01	
Debentures and stock past due	34,141,192.47				21,433,810.25	
Treasury bills	27,896,500.00				25,271,000.00	
Less: Sinking funds	\$155,644,859.13				\$128,201,871.26	
	16,823,427.23				14,074,658.36	
Net Bonded Debt and Treasury Bills	\$138,821,431.90				\$114,127,212.90	

(a) Reduced interest rates tendered by the Province.  
(b) \$5,000,000.00 Authorized.

(c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds.

ABBREVIATIONS: M., Montreal; T., Toronto; E., Edmonton; O., Ottawa; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; L., London, England; N.Y., New York, U.S.A.

Certified correct,  
C. K. HUCKVALE, C.A.,  
Provincial Auditor.

STATEMENT No. 2  
GOVERNMENT OF THE PROVINCE OF ALBERTA

STATEMENT OF BONDED DEBT AND TREASURY BILLS

After exchange of all Securities under the Debt Re-Organization Plan of July 16, 1945

Date of Issue	Date of Maturity	Amount	Rate of Interest	Where Payable	References
BONDED DEBT:					
June 1, 1945.....	June 1, 1946.....	\$ 1,650,000.00	2 %	C.	(d)
June 1, 1945.....	June 1, 1947.....	1,687,000.00	2 %	C.	(d)
June 1, 1945.....	June 1, 1948.....	44,000.00	2 1/4 %	C.	(a)
June 1, 1945.....	June 1, 1949.....	45,000.00	2 1/4 %	C.	(a)
June 1, 1945.....	June 1, 1950.....	46,000.00	2 1/2 %	C.	(a)
June 1, 1945.....	June 1, 1951.....	2,266,000.00	2 3/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1952.....	2,329,000.00	2 3/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1953.....	2,400,000.00	3 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1954.....	2,474,000.00	3 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1955.....	2,549,000.00	3 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1956.....	2,633,000.00	3 1/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1957.....	2,721,000.00	3 1/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1958.....	2,812,000.00	3 1/4 %	C., U.S.	(a)
Jan. 1, 1909.....	Jan. 1, 1959.....	5,424,000.00	5 %	L.	(a); (2)
June 1, 1945.....	June 1, 1959.....	2,906,000.00	3 1/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1960.....	3,003,000.00	3 1/4 %	C., U.S.	(a)
June 1, 1945.....	June 1, 1961.....	2,794,400.00	3 1/2 %	C., U.S., L.	(c); (1)
June 1, 1945.....	June 1, 1962.....	847,000.00	3 1/2 %	C., U.S., L.	(a); (1)
June 1, 1945.....	June 1, 1962.....	2,049,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1963.....	1,398,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1963.....	1,602,500.00	3 1/2 %	C.	(b); (1)
June 1, 1945.....	June 1, 1964.....	3,108,000.00	3 1/2 %	C.	(a); (1)
June 1, 1945.....	June 1, 1965.....	124,000.00	3 1/2 %	C.	(a); (1)
June 1, 1945.....	June 1, 1965.....	3,096,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1966.....	1,460,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1966.....	1,875,600.00	3 1/2 %	C.	(c); (1)
June 1, 1945.....	June 1, 1967.....	1,025,000.00	3 1/2 %	C.	(a); (1)
June 1, 1945.....	June 1, 1967.....	2,431,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1968.....	3,580,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1969.....	3,710,500.00	3 1/2 %	C., U.S.	(b); (1)
June 1, 1945.....	June 1, 1970.....	3,844,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1971.....	712,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1971.....	3,270,500.00	3 1/2 %	C.	(b); (1)
June 1, 1945.....	June 1, 1972.....	1,272,000.00	3 1/2 %	C.	(a); (1)
June 1, 1945.....	June 1, 1972.....	2,854,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1973.....	4,275,000.00	3 1/2 %	C., U.S.	(b); (1)
June 1, 1945.....	June 1, 1974.....	1,751,500.00	3 1/2 %	C., U.S.	(b); (1)
June 1, 1945.....	June 1, 1974.....	2,677,000.00	3 1/2 %	C., U.S., L.	(a); (1)
June 1, 1945.....	June 1, 1975.....	4,589,000.00	3 1/2 %	C., U.S., L.	(b); (1)
June 1, 1945.....	June 1, 1976.....	4,754,800.00	3 1/2 %	C., U.S., L.	(c); (1)
June 1, 1945.....	June 1, 1977.....	2,684,000.00	3 1/2 %	C., U.S., L.	(a); (1)
June 1, 1945.....	June 1, 1977.....	2,241,200.00	3 1/2 %	C., U.S.	(c); (1)
June 1, 1945.....	June 1, 1978.....	5,102,600.00	3 1/2 %	C., U.S.	(c); (1)
June 1, 1945.....	June 1, 1979.....	(£840,885.3 /10)	3 1/2 %	L.	(e) (1);
		\$ 4,092,307.93			
June 1, 1945.....	June 1, 1979.....	734,500.00	3 1/2 %	C., U.S.	(b); (1)
June 1, 1945.....	June 1, 1979.....	460,500.00	3 1/2 %	C.	(c); (1)
June 1, 1945.....	June 1, 1980.....	3,693,000.00	3 1/2 %	C., U.S.	(a); (1)
June 1, 1945.....	June 1, 1980.....	1,784,000.00	3 1/2 %	C.	(a); (1)
Total Bonded Debt:		\$114,881,907.93			
TREASURY BILLS (as at Dec. 31, 1945):					
Jan. 15, 1945.....	Jan. 15, 1946.....	\$ 4,509,000.00	3 %	C.	
Feb. 1, 1945.....	Feb. 1, 1946.....	4,678,000.00	3 %	C.	
Apr. 15, 1945.....	Apr. 15, 1946.....	1,802,500.00	3 %	C.	
June 1, 1945.....	June 1, 1946.....	2,448,000.00	3 %	C.	
Aug. 1, 1945.....	Aug. 1, 1946.....	4,645,000.00	3 %	C.	
Sept. 1, 1945.....	Sept. 1, 1946.....	350,000.00	3 %	C.	
Oct. 1, 1945.....	Oct. 1, 1946.....	1,600,000.00	3 %	C.	
Dec. 1, 1945.....	Dec. 1, 1946.....	6,192,000.00	3 %	C.	
Total Treasury Bills		\$ 26,224,500.00			
Total Bonded Debt and Treasury Bills:		\$141,106,407.93			

## STATEMENT No. 2—Continued

Abbreviations: C—Canada (Imperial Bank of Canada).  
U.S.—United States (Bank of the Manhattan Co., New York, U.S.A.).  
L—London (Lloyd's Bank Ltd., London, England).

## REFERENCES:

Denominations—(a) \$1,000.00; (b) \$500.00; \$1,000.00;  
(c) \$100.00; \$500.00; \$1,000.00;  
(d) \$1,000.00; \$100,000.00;  
(e) £1. and multiples.

(1)—Redeemable on June 1, 1950, or any interest date thereafter at par and accrued interest.

(2)—Debentures of the Alberta and Great Waterways Railway Co. redeemable in whole or in part in six months' notice at 112½ and accrued interest at any time prior to maturity.

NOTE: The above statement includes \$4,072,000.00, replacing alike amount of debentures issued by Irrigation and Drainage Districts, and guaranteed by the Province of Alberta.

## STATEMENT No. 3

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

## INCOME ACCOUNT

## GENERAL REVENUE FUND

Year ended Dec. 31	Particulars	Revenue	Expenditure	Surplus or *Deficit
1905	Per Order-in-Council 966/11.....	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47
1906	"	1,425,059.01	1,279,041.44	146,017.57
1907	"	1,847,452.61	1,839,064.04	8,388.57
1908	"	2,755,900.41	2,079,708.20	676,192.21
1909	"	2,511,851.46	2,632,935.53	121,084.07*
1910	"	2,071,773.94	3,696,826.86	1,625,052.92*
		\$ 11,248,013.00	\$ 11,677,597.17	\$ 429,584.17*
1911	Per Public Accounts.....	2,802,325.79	3,037,618.45	235,292.66*
1912	"	3,419,381.52	3,353,258.48	66,123.04
1913	"	4,519,345.19	4,409,795.18	109,550.01
1914	"	4,350,836.79	4,446,160.31	95,323.52*
1915	"	4,144,040.18	4,742,374.81	598,334.63*
1916	"	4,228,974.28	5,006,993.08	778,018.80*
1917	"	5,069,303.73	5,712,643.03	643,339.30*
1918	"	6,283,336.15	7,132,119.21	848,783.06*
1919	"	8,004,476.10	7,905,330.47	99,145.63
1920	"	9,005,862.21	8,544,052.16	461,810.05
1921	"	8,486,946.25	10,605,155.91	2,118,209.66*
1922	"	9,324,889.73	11,235,192.22	1,910,302.49*
1923	"	10,419,146.26	10,990,830.00	571,683.74*
1924	"	10,506,627.13	11,127,468.55	620,841.42*
1925	"	11,531,025.99	11,343,006.45	188,019.54
1926	"	11,912,128.27	11,894,327.74	17,800.53
1927	"	12,263,400.64	12,479,380.97	215,980.33*
Year ended March 31:				
1928 (3 months)**		3,886,495.04	3,390,751.58	495,743.46
1929	"	15,265,083.77	13,686,260.68	1,578,823.09
1930	"	15,829,865.22	15,402,884.57	426,980.65
1931	"	15,710,962.44	18,017,543.54	2,306,581.10*
1932	"	13,492,430.28	18,645,481.20	5,153,050.92*
1933	"	15,426,264.94	17,533,785.97	2,107,521.03*
1934	"	15,178,607.44	17,056,638.86	1,878,031.42*
1935	"	15,697,770.48	17,435,821.37	1,738,050.89*
1936	"	16,575,151.62	18,225,949.86	1,650,798.24*
1937**	"	20,743,045.72	20,665,192.83	77,852.89
1938**	"	24,127,805.54	21,359,739.46	2,768,066.08
1939**	"	24,269,817.40	21,242,625.48	3,027,191.92
1940**	"	24,410,039.54	21,922,189.04	2,487,850.50
1941**	"	24,921,669.29	20,570,675.91	4,350,993.38
1942**	"	27,213,546.34	19,965,125.48	7,248,420.86
1943**	"	27,961,197.97	21,588,134.34	6,373,063.63
1944**	"	29,786,033.38	23,095,501.98	6,690,531.40
1945**	"	31,848,484.17	25,962,684.07	5,885,800.10
		\$499,864,329.79	\$481,410,290.41	\$18,454,039.38

Add: Surplus arising from excess of income assets over income liabilities and adjustments.....	4,594,561.84
Surplus, General Revenue Fund, March 31, 1945.....	\$ 23,048,601.22
Surplus, Alberta Government Telephones, March 31, 1945.....	
Income Surplus, March 31, 1945.....	\$23,048,601.22

\*\*Operating results after reduction of interest charges, suspension of sinking fund provision, and after including net expenditure for unemployment relief. In previous years, unemployment relief expenditure was capitalized.

Certified correct,

C. K. HUCKVALE, C.A.,  
Provincial Auditor.

## STATEMENT No. 4

## GOVERNMENT OF THE PROVINCE OF ALBERTA

## GENERAL STATISTICS

## AGRICULTURAL STATISTICS

Area—Land .....	159,232,000 acres
Water .....	4,150,400 "
Total Area .....	163,382,400 "

Total Area .....	255,285 sq. mi.
Population, 1941, No. ....	796,169

Rural, No. ....	489,583
Urban, No. ....	306,586

Male, No. ....	426,458
Female, No. ....	369,711

Area of National Parks .....	13,434,240 acres
Area of Forest Reserves .....	12,436,500 "
Area of Surveyed Tract .....	87,889,701 "
Area of Arable Land .....	70,000,000 "
Total Agricultural Area .....	97,123,000 "
Area of Occupied Farms .....	40,539,934 " /

Number of Farms:	
1921 .....	82,954 No.
1926 .....	77,130 "
1931 .....	97,408 "
1936 .....	100,358 "
1941 .....	99,732 "

Acres under Cultivation:	
1906 .....	569,981 acres
1941 .....	19,429,600 "
1942 .....	19,424,800 "
1943 .....	19,774,600 "
1944 .....	20,255,650 "
1945 .....	20,555,200 "

Acres under Wheat:	
1906 .....	177,127 acres
1941 .....	6,481,000 "
1942 .....	6,370,000 "
1943 .....	4,829,000 "
1944 .....	6,738,000 "
1945 .....	6,824,000 "

Value of Agricultural Production:	
1906 .....	\$ 16,428,205
1940 .....	209,741,864 "
1941 .....	204,689,200 "
1942 .....	362,411,700 "
1943 .....	364,767,200 "
1944 .....	402,332,900 "
1945 .....	337,435,800 "

Creamery Butter Manufactured:	
1906 .....	1,960,356 lbs.
1940 .....	29,796,520 "
1941 .....	35,316,143 "
1942 .....	36,985,909 "
1943 .....	38,656,940 "
1944 .....	37,806,568 "
1945 .....	34,650,000 "

Live Stock Population, 1945:	
Horses .....	564,200 No.
Cattle .....	1,338,900 "
Calves .....	521,300 "
Sheep and Lambs .....	974,900 "
Swine .....	1,469,300 "

## Shipments of Cattle from Alberta:

1936 .....	317,054 head
1940 .....	177,100 "
1941 .....	186,192 "
1942 .....	180,492 "
1943 .....	139,826 "
1944 .....	179,477 "
1945 .....	190,441 "

## Hog Marketings:

1936 .....	1,039,466 head
1940 .....	1,485,382 "
1941 .....	1,950,659 "
1942 .....	2,182,342 "
1943 .....	2,392,384 "
1944 .....	2,981,940 "
1945 .....	1,946,114 "

## NATURAL RESOURCES STATISTICS

## Coal Production:

1906 .....	1,385,000 tons
1940 .....	6,205,088 "
1941 .....	6,970,064 "
1942 .....	7,754,279 "
1943 .....	7,677,982 "
1944 .....	7,427,433 "
1945 .....	7,801,248 "

## Petroleum Production:

1924 .....	844 bbls.
1940 .....	8,493,237 "
1941 .....	9,908,643 "
1942 .....	10,143,270 "
1943 .....	9,674,548 "
1944 .....	8,788,726 "
1945 (Estimated) .....	8,055,440 "

## Natural Gas Production:

1921 .....	4,945,884 m.c.f.
1940 .....	26,402,229 "
1941 .....	28,305,429 "
1942 .....	32,443,588 "
1943 .....	34,161,548 "
1944 .....	38,450,326 "
1945 (Estimated) .....	43,667,056 "

## Value of Mineral Production:

1907 .....	\$ 4,657,524
1940 .....	35,092,337 "
1941 .....	41,364,385 "
1942 .....	47,359,831 "
1943 .....	48,941,210 "
1944 .....	51,066,662 "
1945 .....	51,421,626 "

## Lumber Production:

1936 .....	99,153,002 ft. b.m.
1940 .....	170,381,332 "
1941 .....	272,345,129 "
1942 .....	228,703,426 "
1943 .....	182,407,992 "
1944 .....	203,386,563 "
1945 .....	222,384,233 "

Value of Commercial Fisheries  
Production:

1936 .....	\$ 313,743
1940 .....	450,167 "
1941 .....	442,450 "
1942 .....	492,176 "
1943 .....	814,954 "
1944 .....	928,820 "
1945 (Estimated) .....	1,179,279 "

## STATEMENT No. 4—Continued

## GENERAL STATISTICS

## OTHER STATISTICS

Trade and Industry, 1945:	
Retail Trade.....	\$ 300,000,000
Wholesale Trade.....	180,000,000
Manufacturing Industries	220,000,000

Railway Mileage:	
1906.....	1,060 miles
1936.....	5,785 "
1940.....	5,819 "
1941.....	5,823 "
1942.....	5,818 "
1943.....	5,818 "
1944.....	5,818 "
1945.....	5,821 "

Schools in Operation:	
1936.....	3,492
1940.....	3,596
1941.....	3,639
1942.....	3,625
1943.....	3,277
1944.....	2,852
1945.....	2,595

Motor Vehicles:	
1906.....	41
1936.....	97,468
1940.....	120,514
1941.....	126,127
1942.....	125,482
1943.....	127,559
1944.....	127,416
1945 (Estimated).....	130,000

## Surfaced Highways:

1921.....	17 miles
1936.....	2,307 "
1940.....	3,494 "
1941.....	3,839 "
1942.....	4,192 "
1943.....	4,724 "
1944.....	6,260 "
1945 (Estimated).....	7,231 "

## Bank Clearings:

1907.....	\$ 115,461,698
1936.....	538,913,234
1940.....	547,610,159
1941.....	656,777,923
1942.....	741,657,907
1943.....	958,263,300
1944.....	1,147,802,212
1945.....	1,199,123,087

## Bank Debits:

1924.....	\$1,092,062,297
1936.....	1,096,155,091
1940.....	1,407,066,802
1941.....	1,654,889,535
1942.....	1,799,614,115
1943.....	2,334,248,809
1944.....	2,741,476,861
1945.....	2,873,406,487

## Construction Industry—Contracts

Awarded:	
1924.....	\$ 6,600,400 value
1936.....	6,297,400 "
1940.....	23,940,100 "
1941.....	15,598,800 "
1942.....	14,401,100 "
1943.....	18,529,300 "
1944.....	19,501,900 "
1945.....	32,677,800 "